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Authority 969000  
By HJ Date 7/1/02

THE WHITE HOUSE  
WASHINGTON

DECLASSIFIED  
PA/HO Department of State  
E.O. 12958, as amended  
June 21, 2006

71  
July 30, 1970

Your Imperial Majesty:

I greatly appreciated your letter and the frankness with which you wrote me about problems of concern to both our countries, including your assessment of developments in the Persian Gulf area. Such frankness also characterized the good talks we had with your Foreign Minister during his recent Washington visit and contributes greatly to better understanding.

I have delayed replying to your letter in the hope that I could send you some definite word about the Foreign Military Sales bill, which I fully appreciate is so important to your defense planning. To my very great regret, this bill was delayed by Congressional debate and is presently being considered by a Senate-House of Representatives conference. We will be in touch with you as soon as we can see more clearly the outcome of this conference. However, I am hopeful that this matter will be resolved in the next two or three months. I can assure you that we are extremely conscious of the problems this uncertainty causes you and we intend to make every effort to find a practical solution.

While our system of annual tranches does cause inconvenience for both our governments, I know you understand that the Congress only reluctantly approves programs for more than even one year and we unfortunately cannot settle the matter definitively for a five-year period. However, I fully agree that there is great merit in planning military acquisitions over a five-year period. Along these lines, I understand that General Toufanian, with the full cooperation of the U.S. military advisers in Tehran, is preparing a study which will focus on all the factors related to the military equipment which the armed services of your country wish to acquire. I hope this study will be of value in helping you to reach decisions regarding the priorities and programming of military acquisitions. It should certainly provide a framework for the greatest possible continuing cooperation between us.

71  
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- 2 -

I know of your concern over the possibility that the islands of Abu Musa and the Tumbs might fall into hostile hands. I sincerely hope that conversations you have had with the Sheikhs of Sharjah and Ras al-Khaimah will lead to an amicable arrangement for the future of these islands.

I share your concern over recent events in Jordan which could make it much more difficult to achieve a settlement of the Arab-Israeli dispute. As Your Majesty knows, my government has undertaken new initiatives in the search for ways in which the two sides can be brought together to discuss how they might settle their differences. I hope that these efforts will continue to bear fruit and that I may count on you as I have in the past for your understanding and support.

After receiving your letter, we have again given the matter of a special oil import quota for Iran very careful thought. I greatly regret that under the current program, we are unable to do anything in this regard in the foreseeable future. As you know from past conversations, this issue is a complex one for my government both economically and politically, involving as it does this country's entire import system and policy.

I recognize and sympathize with the economic difficulties that make it desirable for Iran to maximize its oil revenues. Iran's welfare is of great concern to us. I want you to know that we have urged several American firms to explore urgently the practicality of purchasing Iranian oil, at least in part as an offset to recent production decreases ordered in Libya. I understand that serious discussions have been taking place between your Government and at least one American company. We shall continue to encourage other companies to try to find ways of dealing with the particular problems each of them may have in connection with shifting their purchases to or increasing them in Iran. I hope that these initiatives will help in some significant measure.

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- 3 -

Mrs. Nixon joins me in sending our warmest regards to you, the Empress, and your family. I greatly value these exchanges with you and the relationship they reflect.

Sincerely,

*Richard Nixon*

His Imperial Majesty  
Mohammad Reza Shah Pahlavi  
Shahanshah of Iran  
Tehran